these interest rates are determined by the banks themselves with the approval of their Boards. For credit limits up to Rs. 2 lakh, the Benchmark Prime Lending Rate (BPLR) has been prescribed as the ceiling lending rate. Banks have also been allowed to freely price their loan products below or above their BPLR and offer floating rate products by using market benchmarks in a transparent manner.

Effective October 22, 1997 the RBI has given freedom to the commercial banks to fix their own interest rates on domestic term deposits of various maturities with prior approval of their respective Boards. Interest rate on savings bank deposit continues to be administered by the RBI.

RBI has informed that since September 2007, there has been volatility in the foreign inflows to India reflecting the global financial market turmoil. Consequently, the exchange rate of the Indian rupee has exhibited two-way movements in the recent period. In the wake of the evolving financial market turbulence in US and Europe it is difficult to predict what will happen in the coming months.

(b) As per information gathered by RBI, in response to the US Federal cut in interest rate, several Central Banks that have been confronted with volatile and large capital flows have resorted to monetary tightening involving either hikes in policy rates or hikes in reserve requirements or both.

In China, the required reserve ratio was raised from 8 per cent in July 2006 to 15.5 per cent on March 25, 2008. After a gap of 17 years, the Bank of Korea raised reserve requirements from 5 per cent to 7 per cent for local currency deposits and short-term foreign currency deposits in November and December 2006, respectively. Meanwhile, in several Emerging Market Economies (EMEs) including China and Korea, Central bank bonds have continued to absorb liquidity from the banking system. The Bank of Korea is investigating large volume trading of currency forward contracts by exporters and financial companies to limit gains in the won, which appreciated to a 10-year high in 2007. The People's Bank of China raised the lending rate to 7.47 per cent in December 2007 from 7.29 per cent in September 2007.

Reduction in time gap between opening of issue and listing of IPO

2369. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that SEBI has decided to reduce the number of days betwen the opening of an Initial Public Offering (IPO) and the listing of shares to protect the interests of the investors;

(b) if so, how the above system would work to safeguard the interests of the investors;

(c) whether such practice is prevalent elsewhere;

(d) if so, the details thereof;

(e) whether any measures in addition to the above are taken to ensure greater investor protection, his education and market development; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) SEBI has informed that it has advised its Primary Market

Advisory Committee (PMAC) to review the entire issue process *inter-alia* with an objective to reduce the time gap between closure of an IPO and its listing. PMAC is currently examining all relevant aspects of issue process to make it more cost efficient.

Reduction in time gap between closure and listing of public issue would, *inter alia,* safeguard the interests of investors by ensuring that investors would get faster refunds in IPOs as their money would not be blocked.

(c) and (d) The period of completion of issue process varies from jurisdiction to jurisdiction, which, in turn, depends upon the way in which the public issue is made. In USA, the closing and settlement process generally takes 3-4 days from closure of issue, mainly because the issuer company allots shres to the investment bankers, who in turn allocate the shares to investors.

(e) and (f) SEBI is keeping a constant vigil on the market, irrespective of the levels of the Sensex and has taken immediate action wherever warranted. SEBI has been conducting regular and weekly meetings with Surveillance officials of the stock exchanges. The stock exchanges have been advised to step up their own surveillance measures and to initiate expeditious demonstrative action wherever warranted so as to protect investors' interest and ensure orderly functioning of the stock market. Several scrips have been shifted to Trade to Trade segment to discourage abnormal day-trading and speculation. Circuit filters/price bands have been imposed on several scrips. Additionally, from time to time the Stock Exchanges also are issuing list of Do's and Dont's through leading English and Hindi newspapers for investors with regard to dealing in securities. SEBI also emphasises the same through its periodically conducted investor education programmes.

SEBI's market development measures include introduction of fast track issues, introduction of qualified institutional placement and introducing new derivative products in the market.

Circulation of fake currency notes

2370. SHRI M.V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that fake currency notes are in circulation in the country;

(b) if so, the details thereof;

(c) whether any enquiry has been conducted to identify the source of such currency notes;

(d) if so, the details thereof; and

(e) the steps taken by Government to prevent such fake currency in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) Information is being collected and will be laid on the Table of the House.

Loss in valuation of exchange rate

2371. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a report of RBI has shown that the valuation loss between the March Exchange Rate and September Exchange Rate is around Rs. 92383 crores and the